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Evaluation of the International Trade Centre

Report of the Office of Internal Oversight Services

Summary

This evaluation by the Office of Internal Oversight Services (OIOS) sought to assess the relevance, effectiveness and efficiency of the International Trade Centre (ITC) in relation to its objectives.

During the period under evaluation (2006-2014), ITC successfully delivered project activities and outputs in the areas of specialized trade research, capacity-building, policy support and export competitiveness support. ITC also launched an ongoing change process in 2008 to improve its results orientation. Nevertheless, OIOS found only limited evidence of the results these activities and outputs have achieved for targeted beneficiaries and clients. Despite improvements in ITC to project designs over the period evaluated, significant gaps remain in monitoring and evaluation, project planning and especially in collecting high-quality data on project outcomes and impacts. These data gaps extend to measures of efficiency: ITC lacks data linking costs to outputs, thus undermining its ability to know how cost-effective its interventions are. There are signs that a new integrated projects portal might enable attribution of total costs to outputs, but this effort is still under way and its results therefore unclear.

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The mandated role of ITC includes supporting developing countries, post-conflict States and transitional economies. The Centre's products and services have reached beneficiaries within these categories and are regarded by beneficiaries and donors as relevant. However, ITC has not prioritized its work on the basis of a holistic, strategic and data-driven appraisal of needs — or of its comparative advantage in meeting these needs. As a result, while it is possible that its interventions are targeting those countries and industries most in need of its expertise and where it can make the most difference, ITC does not know that this is the case. This donor- and beneficiary-demand-driven approach might in part be owed to the Centre's increasing reliance on extrabudgetary resources, which are frequently earmarked.

While ITC has made progress in establishing the architecture for mainstreaming cross-cutting issues, it has not consistently addressed these issues in its project designs.

OIOS makes five recommendations, all deemed important according to its criticality rating system. These are that ITC:

(a) Regularly monitor operational units' implementation of the action plans formulated in response to the 2014 evaluation of the Centre as well as the present evaluation, and regularly report on such implementation to its Joint Advisory Group;

(b) Incrementally adopt a more holistic, data-driven approach to strategic planning and budgeting;

(c) Revise its programme and project approval protocol to ensure project alignment with corporate priorities and objective needs assessments, as well as adequate attention to monitoring and evaluation and risk management;

(d) Improve its capacity to generate credible evidence on the results its interventions have achieved, and on these interventions' cost-effectiveness;

(e) Accelerate mainstreaming of cross-cutting issues.

I. Introduction

1. The Office of Internal Oversight Services (OIOS) selected the International Trade Centre (ITC) for evaluation on the basis of a risk assessment undertaken to identify Secretariat programme evaluation priorities. The Committee for Programme and Coordination selected this evaluation for consideration at its fifty-fifth session in 2015 (see A/68/16, para. 158). The General Assembly endorsed the selection in paragraph 5 of its resolution 68/20.

2. The general frame of reference for OIOS evaluation is provided in the Regulations and Rules Governing Programme Planning, Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, which defines the purpose of evaluation as: (a) determining, as systematically and objectively as possible, the relevance, efficiency, effectiveness and impact of the Organization's activities in relation to their objectives; and (b) enabling the Secretariat and member States to engage in systematic reflection on increasing Organizational effectiveness (see ST/SGB/2000/8, Regulation 7.1).[1] The present report has been prepared in conformity with the norms and standards of the United Nations Evaluation Group. The comments of ITC management were sought on the draft report, and were taken into account in the preparation of the final report. The final comments of ITC are provided in the annex to the report.

II. Background

A. Mandate, organization, governance and resources

3. As a subsidiary organ of the United Nations acting through the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO), ITC has an organizational status distinct from that of most other Secretariat entities. Created in 1964 by the General Agreement on Tariffs and Trade (GATT), ITC has since 1968 operated under the joint aegis of GATT/WTO and UNCTAD. Within programme 10, Trade and development, the same biennial work plan defining the UNCTAD programme of work, ITC bears responsibility for the implementation of subprogramme 6, Operational aspects of trade promotion and export development. The aim of subprogramme 6 is to foster sustainable economic development and contribute to achieving the Millennium Development Goals in developing and transition economies through trade and international business development.

4. ITC serves as the focal point in the United Nations system for technical cooperation with developing countries and economies in transition in promoting trade and export development. The Centre's trade-related technical assistance focuses on assisting businesses, especially small and medium-sized enterprises, in developing countries and economies in transition. It also assists enterprises in developed countries that are interested in aligning their business practices with the ITC mandate.

5. In order to summarize the Centre's underlying programme logic, OIOS developed a programme impact pathway for this evaluation. Rooted in the Centre's

[1] See ST/SGB/2000/8, Regulation 7.1.

strategic frameworks and consultations with ITC, the programme impact pathway serves as a visual road map conveying how the programme aims to fulfil its mandate and targeted objectives.

6. ITC endeavours to achieve its objectives through the following activities:

(a) Supporting small and medium-sized enterprises export competitiveness, with special emphasis on gender, poor communities and the environment;

(b) Making specialized trade knowledge available by producing and disseminating relevant and targeted trade information (trade intelligence) that can help countries, policymakers, trade support institutions and businesses better understand and navigate the trade and export world;

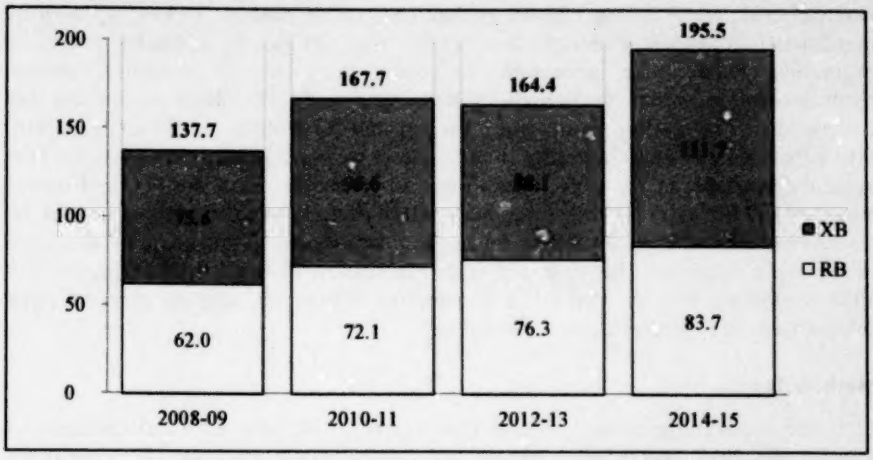
(c) Offering capacity-building and targeted support and advice to existing trade support institutions so that they can more effectively support the private sector and policymakers on trade-related issues;

(d) Supporting policymakers, and by extension countries, in drafting, developing and implementing trade and export policies that take into account the private sector's sustainable development requirements.

7. ITC is headed by an Executive Director at the level of Assistant Secretary-General, appointed by the Secretary-General on the basis of the joint recommendation of the Director-General of WTO and the Secretary-General of UNCTAD. She is assisted by the Deputy Executive Director and the Office of the Executive Director (comprised of the Communications and Events Section and the Strategic Planning, Performance and Governance Section). ITC is further organized into four divisions: the Division of Country Programmes, the Division of Market Development, the Division of Business and Institutional Support and the Division of Programme Support.

8. Financial support for the Centre's operations includes regular budget resources, underwritten equally by WTO and UNCTAD, resources. As figure 1 indicates, the Centre's budget has been supported fairly evenly by regular budget and extrabudgetary resources in every biennium since 2008-2009. While regular budget resources increased marginally, extrabudgetary resources have risen from 2008 to 2014. The regular budget is subject to the programme and budget review procedures of the United Nations, with final programme and budget approval by the governing bodies of UNCTAD and WTO. ITC had 281 posts in 2012-2013, including 164 regular budget, 20 extrabudgetary, 92 funded by the Global Trust Fund and five comprising Associate Experts.

Figure 1
Financial resources of the International Trade Centre, 2008-2015
(Millions of United States dollars)



Notes: Figures cited are total expenditures, based on the audited financial statements before eliminations. For the 2014-2015 biennium, regular budget figures are based on the approved budget of 74.3 million Swiss francs, converted into United States dollars using the 31 December 2013 exchange rate of 0.887. Extrabudgetary figures include the technical cooperation activities fund, programme support costs fund, revolving funds and other funds. Projected 2014-2015 extrabudgetary expenditures are based on the approved 2014 operational plan budget of $51.7 million and target expenditures of $60.0 million for 2015, a target set during the Centre's 2015-2017 strategic planning process.

9. The main intergovernmental policy forum of ITC is the Joint Advisory Group, whose membership comprises representatives of UNCTAD and WTO. ITC reports to the Joint Advisory Group for substantive programme review and policy guidance. The Joint Advisory Group requires financial information focusing on the results and use of extrabudgetary contributions. Its formal role is advisory, as it does not have the power to commit financing to ITC; that power resides with the UNCTAD and WTO governing bodies. ITC also reports to the Fifth Committee of the General Assembly on the use of its regular budget resources. Its financial statements covering both regular budget and extrabudgetary resources are signed by the Controller of the United Nations and audited by the Board of Auditors.

B. Evaluation framework: scope, objectives and purpose, and methodology

Scope and purpose

10. This evaluation sought to determine, as systematically and objectively as possible, the relevance, effectiveness and efficiency of ITC from 2006 to 2014, with a view to fostering discussion among member States, ITC management and the Joint Advisory Group on whether ITC has achieved results over this period and why.

11. Pursuant to these ends, OIOS relied on the best evidence available for answering its evaluation questions. The presence of an existing large-scale, external,

full-programme evaluation of ITC, finalized in June 2014 and followed in January 2015 by a management response and action plan endorsed by donors and the Joint Advisory Group, played a vital role in this regard. OIOS became aware of the 2014 external evaluation[2] during its own evaluation scoping process. In keeping with its mandated independent oversight role, OIOS was obliged to scrutinize the 2014 evaluation rather than accepting it prima facie as an evidence source. Notwithstanding minor exceptions, OIOS determined the 2014 evaluation (as compared to an earlier evaluation, carried out in 2006), to be of generally satisfactory quality and credibility in the areas it covered, having harnessed the best evidence available at the time. In addition, in interviews with the ITC evaluation manager and the external consulting team, OIOS determined the 2014 evaluation to have been sufficiently independent for use as a key source of documentary evidence in its own evaluation. That said, the main reservation of OIOS with respect to the 2014 evaluation was its conflation of effective delivery of outputs with effective achievement of results through these outputs.

Methodology

12. The overarching methodological approach of OIOS focused on: (a) determining whether the 2014 evaluation achieved full programmatic coverage, in accordance with the programme impact pathway developed for the present evaluation (see para. 5 above), and identifying any coverage gaps; (b) validating the analysis of the 2014 evaluation in those areas it did adequately cover, and undertaking further primary data collection and analysis on those areas that it did not; and (c) verifying the progress of ITC in implementing recommendations from the 2014 evaluation. To these ends, OIOS gathered evidence using a range of methods, including the following:

(a) Independent validation of the 2014 evaluation, including a stratified random sample of 65 "member checks" (i.e. re-engagement of stakeholders interviewed during the evaluation to verify the accuracy of the evaluation's analysis), re-analysis of a random sample of 56 project summaries and of a sample of 149 project documents (108 from 2014 and 41 from 2006-2013);

(b) Desk review of over 50 further documents, including strategic planning documents, policy and guidance documents, terms of reference, databases, survey results, 28 evaluations produced from 2006 to 2014, emails and memos, and a systematic compilation of documentary evidence to verify claims of action on recommendations of the 2014 evaluation;

(c) Global media scan and bibliometric analyses to assess news, trade publications and media coverage of ITC in the global media (18 and 16 hits in LexisNexis and ProQuest, respectively, based on broad Boolean search terms);

(d) Semi-structured individual interviews (including six group interviews) with ITC staff (21), partners (8), beneficiaries (10) and Member States (12), and 12 focus groups (comprising 60 individuals) among these same stakeholder groups;

[2] The report of the evaluation is available from www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/How_ITC_Works/Evaluation/1.%20Evaluation%20Report.pdf.

(e) Self-administered web-based surveys of 21 "thought leaders".[3]

13. The present evaluation's key limitations centred on data gaps. These included low response rates among beneficiaries and some Member States among "member check" interviewees, requiring extensive follow-up to achieve an acceptable participation rate; contradictory information across multiple self-reported data sources within ITC, requiring reconciliation; and unavailable data, such as original interview notes from the 2014 evaluation of ITC and specific ITC documents, lowering the strength of evidence in some desk review analyses. Finally, having identified key coverage gaps in the 2014 evaluation (see para. 12 above) — namely in the areas of outcome-level effectiveness and in rigorous measurement of efficiency — OIOS was unable to obtain valid or reliable data to adequately redress these gaps. As a result, its own analysis of these areas relies on proxy measures of effectiveness and efficiency.

III. Evaluation results

A. The International Trade Centre has made notable gains in strengthening its results orientation in recent years, but evidence for the effects of its project interventions on targeted beneficiaries remains weak

Gradual strengthening of results orientation

14. Improvements in the Centre's results orientation began in 2008 with the introduction of its first strategic plan (2009-2012), an operational plan for 2008 and a new evaluation policy. In 2009, ITC clarified its corporate objectives, developed performance indicators and began reporting in terms of the delivery of outputs rather than the allocation of inputs.

15. This change process has gained momentum from 2011 to the present. Since 2011, ITC has prioritized the embedding of results-based management in the organization, focusing on enhanced corporate-level coherence and performance monitoring. Since 2012, monitoring and reporting have been facilitated by a results-based management data entry tool. The results-based management portal has been linked to the projects portal, which constitutes the main online results-based management reporting architecture. By 2013, section plans had been developed to make the connection between project- and corporate-level objectives. ITC also developed an online development results dashboard in 2013 to enhance reporting to key external stakeholders. In a departure from previous biennial planning documents, the 2016-2017 strategic framework and 2015-2017 strategic plan are now aligned, and both have a clear breakdown of corporate-level outcomes with corresponding indicators of achievement. In response to a recommendation from the

[3] A "thought leader" is an individual recognized as a leading authority in a given topical area. The thought leaders surveyed in this evaluation comprised six female and 15 male experts from universities, think tanks and international organizations in 10 geographic regions. Thought leaders were identified through a "snowball" sample (also known as "chain" or "referral" sampling), beginning with an initial list of 102 individuals OIOS drew from top international economic policy think tanks identified in the 2013 *Global Go to Think Tank Index Report* and experts from the International Centre for Trade and Sustainable Development network. The survey was administered only to those individuals who agreed in advance to participate.

2014 evaluation, ITC now uses results terminology aligned with the definitions of the United Nations Development Group. ITC has complemented these initiatives with staff training in results-based management.

16. This redoubled focus on results extends to the project level. In 2009, ITC reviewed its project design process, leading to a realignment of the quality assurance mechanism to overarching corporate objectives. The Centre also undertook an exercise in 2011 to align project-level outputs, outcomes and their associated indicators with the corporate logical framework of the 2014-2015 strategic framework. In response to a 2013 OIOS audit recommendation (see audit report 2013/067, available from www.un.org/Depts/oios/pages/iad_reports.aspx) and a 2010-2011 Board of Auditors report (A/67/5 (Vol. III)), ITC also streamlined its project and programme design templates, developed more robust quality-control procedures, updated the criteria underlying Project Approval Committee review ratings and introduced Project Approval Committee development markers. Moreover, the project plan templates now require a monitoring plan where outputs, outcomes and their associated indicators are tracked.

17. OIOS verified that these improvements have led to corresponding improvements in ITC project design over time. In its random sample of 44 project plans and ideas reviewed by the Project Approval Committee in 2014, OIOS verified that 40 of them contained a sufficient level of detail to monitor project progress, 30 consistently paid attention to establishing plausible results chains (output-outcomes-impacts) and 30 embedded long-term-result thinking from the outset. This represents a degree of improvement over project designs in previous periods.[4] In its re-analysis of 56 projects reviewed in the 2014 evaluation of the Centre, OIOS further determined project design to have improved slightly over time.[5]

Insufficient attention to demonstrating results

18. The 2014 evaluation of ITC, as well as a 2014 OIOS advisory engagement,[6] acknowledge these notable gains, especially from 2011 to 2014. The 2014 evaluation further concluded that ITC had successfully carried out the activities described in paragraph 6 above. In its validation exercise, OIOS independently verified that in most cases, there was sufficient documentation to show that ITC had delivered most of its planned project outputs, and had generally done so on budget (61.4 per cent) and on time (92.5 per cent).

[4] OIOS noted in its qualitative comparative analysis of 44 project plans reviewed by the Project Approval Committee in 2014 that documents submitted after ITC updated the project design policies received fewer lower ratings (18 per cent scored either a 3 or 4) than documents submitted before the policy changes (e.g. close to half, or 45 per cent, of documents scored a 3 or 4). Also, in comparing the post-July 2014 project plans reviewed by the Project Approval Committee with a small random sample (n = 10) of project plans from before the creation of the Committee, the latter documents were found less likely to explicitly indicate results chains, logframes or cross-cutting issues than the more recent project plans reviewed by the Committee.

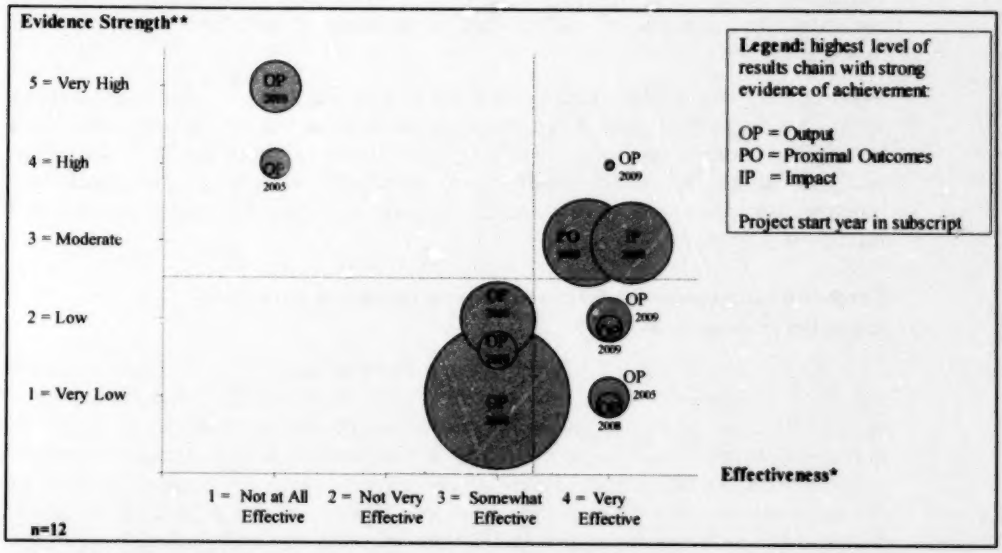
[5] Gauged by calculating correlations between a chronological measure (i.e. project start year) and 20 measures of project design strength. Correlation coefficients varied considerably (i.e. between -.090 and 0.81), but averaged in the low positive range mean = .32, median = .37).

[6] See OIOS, "Advisory engagement to assess the progress of the International Trade Centre in implementing its accountability processes", report No. 2014/055, available from www.un.org/Depts/oios/pages/iad_reports.aspx.

19. Despite the Centre's progress in promoting a stronger results orientation, OIOS concluded that the organization had gathered little evidence to document results achieved beyond the level of output delivery. Apart from a few examples, OIOS was unable to identify projects with strong evidence on whether or not the Centre's projects succeeded in achieving the intended outcomes summarized in paragraphs 3 to 5 above.

20. Figure 2 speaks to this lack of evidence for results. Drawing on a sample of 56 interventions from the 2014 evaluation which OIOS re-analysed, it plots these interventions' levels of effectiveness to the extent that OIOS could infer this information from available data, and the assessment of OIOS of the strength of the evidence underlying the claim of effectiveness. Each intervention is labelled with an indication of whether the evidence was at the output, outcome or impact level, and the project start year. The size of each intervention is also scaled in proportion to its overall budget, an issue addressed in section II.C below.

Figure 2
Summary of OIOS assessment of intervention effectiveness of ITC, including strength of evidence



* Inferred level of effectiveness on highest point in results chain targeted, based on the available evidence.
** Strength of evidence for achievement of end point in results chain.
Note: horizontal and vertical intersects indicated at mean for each axis. Evidence strength has median of 2.0 and mean of 2.5. Effectiveness has median of 4.0 and mean of 3.3. Circle size proportional to project budget.
Source: OIOS.

21. As figure 2 establishes, only 12 of these 56 cases contained sufficient information from which to draw conclusions at all, underlining the assessment of OIOS regarding the insufficiency of the Centre's evidence base. Moreover, of those 12 cases, effectiveness varied considerably, and the evidence was generally low. The effectiveness of almost every programme or project analysed could only be determined at the output level. In only two cases could OIOS determine effectiveness at the proximal (i.e. immediate) outcome or impact level, and only with moderate strength of evidence.

22. Despite this shortcoming, preliminary indications suggest that the strength of evidence for results might be gradually improving.[7] Beyond this trend, OIOS was unable to identify any patterns in the types of interventions that received monitoring and evaluation attention and those that did not: the Centre's lack of investment in monitoring and evaluation applies to programmes and projects of all types and sizes.

23. OIOS was able to identify a limited number of noteworthy exceptions where ITC invested in delivering credible evidence for results achieved. These include the Netherlands Trust Fund Phase II Programme in Bangladesh and the Poor Communities and Trade Programme in Kenya. Additionally, in its independent validation of the 2014 evaluation of ITC, OIOS verified that some projects point to medium-term results in respect of the Centre's targeted outcome of strengthening trade support institutions' capacity (see para. 6(c) above). For example, the Netherlands Trust Fund Phase II Programme led to improved competence of trade support institutions, resulting in some small and medium-sized enterprises increasing exports in 2012. In contrast, absence of regular reporting by trade support institutions in the 2011 project on the expansion of intra- and interregional trade among the Economic and Monetary Community of Central Africa, the West African Economic and Monetary Union and Francophone countries in the Mekong region made it difficult to collect data to ascertain if new trade relations were established.

24. Owing to the lack of valid and reliable monitoring data provided by ITC, along with a decentralized and fragmented documentation of its actual client and beneficiary contacts up to mid-2013 (see para. 13 above), both the 2014 evaluation and the efforts of OIOS itself were admittedly anecdotal, piecemeal and retrospective. They do not constitute an adequate substitute for systematic, rigorous results measurement.

Further improvements to results orientation planned, with risks requiring management

25. In response to a Joint Advisory Group recommendation, as well as the 2006[8] and 2014 evaluations of ITC, the Centre's 2015-2017 strategic plan commits the organization to continue becoming more results-driven through a range of initiatives. At the highest level, these include the production of an annual corporate-level impact analysis report, ensuring that all new large programmes target the impact level and that project indicators are aligned to the 2016-2017 strategic framework. These initiatives also include the adoption of a programmatic approach and, from 2014 onward, classifying all projects and services according to six overarching focus areas. It is anticipated that this classification will provide the foundation for assessing overall organizational performance along key product lines. ITC has also committed itself to gradually developing new methods, standards and an overall architecture for project evaluability and impact assessment, and to revising its evaluation policy. The Centre's Evaluation and Monitoring Unit plans to re-administer the impact survey in 2015, conduct strategic evaluations on impact

[7] In the OIOS re-analysis of projects evaluated, correlation between strength of evidence and intervention start years was moderately positive (.46), suggesting modest improvement in the evidence base between 2008 and 2010 (2010 being the date of the most recent of these 12 project cases).

[8] Evaluation of the International Trade Centre UNCTAD/WTO, February 2006 (see www.itcevaluation.org/).

assessment practices and engage with experts in measuring impact in terms of aid for trade.

26. OIOS also documented a series of measures to support higher-level corporate realignment to facilitate better results and accountability. ITC has committed itself to undertaking quality assurance at all phases of the project cycle. It is also in the process of developing a new integrated project portal, to be rolled out in three phases from 2014 to 2016, that will link disparate aspects of the project cycle management process to allow ITC staff to track, plan and report in a single workflow, thus eliminating duplicative data entry. It will also enable ITC to move towards a programme-focused intervention model and facilitate the transition to Umoja and the costing of the Centre's technical assistance. In addition, ITC is developing a costing methodology to link total costs to outputs (see para. 45 below).

27. While commending these initiatives, OIOS noted three key risks to be managed if the change process is to succeed in strengthening the Centre's ability to demonstrate its results and meet the expectations of its key stakeholders. (As ITC embarks on its 2015-2017 strategic plan and 2016-2017 strategic framework, it has engaged OIOS to build up a risk management framework beginning in January 2015.)

28. One risk centres on the preliminary impact assessments of ITC. The Centre's first attempt at measuring long-term results began in 2013 with a pilot impact assessment study. In that study, ITC sought to understand, through survey feedback, beneficiaries' perceptions of the impact of its interventions on exports, jobs creation and environmental sustainability, as well as how it could improve its services. ITC relied on a small sample of beneficiaries without a clear understanding of the sampling universe (that is, a well-defined population of all of its beneficiaries from which to draw a sample), and only on data self-reported by the entities the Centre assisted. The maintenance and refinement of the client relationship management database is vital to this endeavour, since client information is stored in the database and the accuracy of the information directly affects the reliability of results in impact assessments. However, since its full roll-out in mid-2013, the database has contained a number of contacts that are outdated and duplicative, owing to the importation of older ITC corporate contact databases into the system.[9] As with the integrated project portal, ongoing entry of up-to-date and accurate data, coupled with compliance monitoring, will be vital to the success of the database.[10] More fundamentally, self-reported perceptual data alone are insufficient for credibly demonstrating evidence for results; for that, ITC will also need non-perceptual (i.e. "hard") evidence, which it acknowledges is required in a 2014 concept paper. As the aforementioned impact assessment methods are still being refined, OIOS was unable to verify that ITC intends to undertake a more appropriately rigorous approach to impact measurement.

[9] ITC, Trade Information Services Section, "ITC's client relationship management system progress report: realising the potential of the system (how to make the CRM better for ITC)", October 2014.

[10] The client relationship management database is the first centralized database with the potential to store and share information on the Centre's clients. It currently contains information on 33,000 ostensible "clients". However, ITC staff members, who must populate the database with their client lists in order to receive travel reimbursements, complain that the database is time-consuming, not user-friendly and underused as an information source.

29. Another set of risks centres on the strategic planning and monitoring and evaluation functions. While its strategic planning documents have become more results-oriented, ITC lacks an explicit corporate-level logic model akin to the programme impact pathway developed for the present evaluation. This type of "results road map" includes a breakdown of the intended pathways to results, various product lines' intended contributions to such results and assumptions and anticipated risks affecting the achievement of results. It would also form the basis for articulating accountabilities for results throughout the organization.

30. Regarding monitoring and evaluation, current structural arrangements do not afford this function sufficient operational independence for generating the credible results information ITC will require. The 2006 evaluation of ITC recommended strengthening the evaluation function, and the Evaluation and Monitoring Unit was created in 2008. However, OIOS verified that, after initially enjoying a fair degree of independence by reporting to the Executive Director of the Centre, in June 2013 the Evaluation and Monitoring Unit was moved and its reporting line on programmatic issues nested within the Strategic Planning, Performance and Governance Section. In its 2013 independent assessment of Secretariat evaluation functions, OIOS scored the Centre's evaluation policy as only moderately adhering to the norms and standards of the United Nations Evaluation Group, and deemed a sample of its evaluations to be of "medium" quality. A 2015 analysis by the Joint Inspection Unit corroborates the conclusions reached by OIOS in this regard.[11]

B. The products and services of the International Trade Centre are tailored to the priorities of donors, assisted Governments and some beneficiaries, rather than being prioritized in a strategic, risk-based manner

Approaches to country and project selection are largely donor- and beneficiary-driven

31. In accordance with its mandate, ITC works with clients and beneficiaries in developing countries, post-conflict States and transitional economies and gives priority to sub-Saharan Africa, least developed countries, land-locked developing countries and small island developing States. Within these broad parameters, the Centre's approach to selecting countries in which to operate and projects to undertake varies considerably. In some cases, the Centre has successfully persuaded donors to fund projects or contribute non-earmarked funds in those countries where its products and services are most needed and can have the greatest impact.

32. However, the Centre's work programme is predominately driven by donor priorities and beneficiary demand. While it broadly states the country categories indicated in paragraph 4 above as its priority countries, ITC does not indicate precisely which countries within these categories it will prioritize on the basis of a specific needs assessment. Moreover, in its re-analysis of 56 projects, although OIOS estimated there to be substantial beneficiary input in initiating a project idea (57.4 per cent) and donor input (46.8 per cent), ITC country programme staff (23.4 per cent) and product staff (12.8 per cent) played a comparatively lesser role

[11] Joint Inspection Unit, "Analysis of the evaluation function in the United Nations system" (JIU/REP/2014/6), Geneva, 2014.

in project initiation. In only 4.3 per cent of projects did ITC staff spearhead project initiation and draw donors and clients to its idea.

33. The assessment of OIOS in this regard is consistent with the 2006 and 2014 evaluations of ITC. While determining that the organization uses a diverse range of formal and informal project needs assessments,[12] these evaluation teams were unable to locate evidence of systematic needs assessments in the selection of countries or projects.[13] However, 24 of the 42 projects in the OIOS re-analysis indicated that the process of aligning the intervention with national strategies of beneficiaries was very systematic.[14] Moreover, this same analysis showed that some form of project needs assessment was conducted in 79.0 per cent of the projects sampled, but that the quality of these assessments varied greatly.

34. OIOS corroborated that the lack of a more strategic approach might be attributed, at least in part, to the heavy reliance on (especially earmarked) extrabudgetary resources, which have risen at a greater rate than regular budget resources from 2006 to 2014. ITC expects 2014 extrabudgetary funds to amount to $51.7 million, 13.0 per cent higher than the initial 2013 budget. However, over the period covered by the current evaluation, significant variations in funding in net extrabudgetary resources have occurred, especially since 2008. Another factor is the Centre's own lack of strategy to date for reversing this trend. ITC claims to be in the process of developing a country needs assessment to remedy this gap, but despite multiple requests OIOS has not been provided with documentation to verify this claim.[15]

35. While most ITC personnel interviewed in the OIOS validation exercise concurred with these assessments, a small number contested them. Some asserted that all projects were tailor-made to countries' needs, and that donor-driven approaches did not necessarily conflict with a project's organizational relevance. Others challenged the notion that there can be a "perfect" needs assessment which automatically attracts funding, and that ITC needs to remain flexible rather than act through a drawn-out formal needs assessment. Yet others pointed to the organization's funding characteristics as an intractable feature of its operating environment.

36. OIOS does not question that the Centre's donor- and beneficiary-driven approach might be filling a need. Indeed, the steady demand for the Centre's services and products could be interpreted as one indicator of its continued relevance. However, this approach might not necessarily ensure that ITC is consistently supplying products and services where need is greatest, or that its interventions are targeted to the countries, sectors and small and medium-sized enterprises where it can achieve the greatest impact in reducing poverty, a key element of its United Nations mandate. This approach also runs the risk that, without strategic due diligence of supported industries and partner enterprises, ITC

[12] Also noted in ITC e-mail correspondence, 13-15 January 2015.

[13] The ITC operational plan for 2015 does indicate that in 2015 the Centre will invest $1.5 million in needs assessments.

[14] Only 42 of the 56 cases entailed valid data.

[15] Internal e-mail exchanges indicate that ITC, under the 2015-2017 strategic plan, plans to embed and mainstream country needs assessments and to fine-tune a programmatic framework for the Centre's engagement at country level.

might unintentionally be contributing to market distortions and other unintended consequences.

37. OIOS ascertained a need for ITC to take a risk-based approach, an area which a 2014 OIOS advisory and various Board of Auditors reports have acknowledged as being weak. This lack of a risk-based approach itself constitutes a risk as ITC embarks on its 2016-2017 strategic framework and 2015-2017 strategic plan (see para. 15 above). Although ITC project plans now request project managers to contemplate project-level risk management, the degree to which risks are actually identified — and addressed by contingency arrangements — is variable.

Comparative advantage is not systematically mapped, undermining potential for relevance and for resource-catalysing visibility

38. The Centre's approach to prioritization extends to the strategic mapping of its value added in relation to other actors. The 2014 evaluation of ITC concluded that a number of aid-for-trade providers operated in parallel, at times collaborating or competing, but more often operating in their own niche with little knowledge of one another in the same country. OIOS notes that in focus group discussions, ITC personnel perceived this relationship to be more in the nature of synergy and complementarity than of competition. Indeed, respondents believe that the aid-for-trade arena is too big for one organization to dominate and that there is room for many actors. However, the 2014 evaluation notes that ITC does not systematically analyse gaps in the aid-for-trade arena where it could complement other initiatives.

39. Given the Centre's largely donor- and beneficiary-driven interventions, it is unsurprising that ITC is well-known and largely well-regarded among those with whom it has worked, but less well-known beyond this "closed circuit". By these accounts, ITC is relevant to the extent that it meets its own stakeholders' demands, a sentiment that the OIOS validation of the 2014 evaluation confirmed.

40. Beyond the high recognition ITC enjoys among these key stakeholders, understanding of ITC and its comparative advantage appears to be limited. The 2014 evaluation demonstrates this through its surveys and interviews for the portfolio analysis and country case studies. The thought leader survey carried out by OIOS corroborated this assessment: overall awareness and recognition of the Centre's products and services are low, with fewer than half of respondents able to assess the Centre's relevance. Additionally, there is limited understanding of its comparative advantage relative to other actors: only five respondents who are familiar with ITC (out of a total of 21 respondents) strongly agree that ITC delivers clear value added compared to similar work by other relevant actors involved in this area. The OIOS media scan also yielded very few results, underscoring this low level of awareness.[16]

41. The Centre's non-resident agency status might limit its visibility to potential clients and beneficiaries in-country. OIOS maintains, however, that by systematically mapping, seizing on and making more visible its strengths compared to other actors, while at the same time demonstrating its results achieved, ITC could begin to shift away from its current approach driven by earmarked extrabudgetary resources and undertake more results-driven resource mobilization. This approach would be consistent with its corporate effort to move to a more results-driven

[16] There were 18 hits in LexisNexis and 16 in ProQuest.

approach (see paras. 14-17 above). The lack of such an approach, conversely, constitutes a further risk as the Centre embarks on its 2015-2017 strategic plan and 2016-2017 strategic framework. OIOS noted that ITC has begun undertaking steps to rectify this gap in tandem with its 2015-2017 strategic plan.

C. The International Trade Centre is beginning to move towards more transparent financial management and more streamlined workflows in order to better deliver results

42. Numerous reports since 2006 have pointed out the inability of ITC to demonstrate linkages between the results it has achieved and the resources it has allocated to these results.[17] In particular, the 2006 and 2014 evaluations of the Centre highlighted the absence of data linking costs with outputs, which impeded it from making informed decisions based on a clear notion of its overall efficiency.[18] Combined with a lack of rigorous results data (see paras. 18-24 above), the evaluations OIOS reviewed were uniformly unable to assess value-for-money. In its re-analysis of 56 projects, OIOS could not credibly gauge projects' cost-effectiveness with the information at hand. In several cases, budget data were missing altogether. The absence of such information arises partly from the lack of interface between the Centre's various underlying data systems. In 2011, ITC also delayed cost-related initiatives owing to other priorities (see paras. 14-17 above).[19]

43. In response to these challenges, since 2012 ITC has invested in upgrading its internal data systems in order to streamline work flows and enhance its efficiency and cost-effectiveness. These include the integrated project portal, the client relationship management database, a web content management system and the intranet (see paras. 26 and 28 above). The roll-out of the new integrated project portal incorporates the financial costing of projects and other features. Phases 2 and 3 of the integrated project portal plan, slated for 2015-2016, include the roll-out of customizable project lists to improve resource management and reporting. There are also plans to incorporate a multi-user interface into the integrated project portal so that ITC staff will be able to access the budget management component for a complete financial overview of the Centre's activities and projects. Donors will also have access to information on project costs, enhancing transparency in financial management.[20]

44. The 2014 OIOS advisory engagement (see para. 18 above), the 2014 evaluation of ITC and reports of the Board of Auditors note that regular-budget

[17] For example, the 2006 and 2014 evaluations of ITC; Board of Auditors reports A/63/5 (Vol. III), para. 77, A/65/5 (Vol. III), para. 78, A/67/5 (Vol. III), para. 61 and A/69/5 (Vol. III), para. 15; OIOS, "Advisory engagement to assess the progress of the International Trade Centre in implementing a framework for accountability" (VE2013/350/01), November 2014.

[18] Evaluation of the International Trade Centre UNCTAD/WTO, February 2006 (see www.itcevaluation.org/), synthesis report: Independent Evaluation of the International Trade Centre, 2014 (www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/How_ITC_Works/Evaluation/1.%20Evaluation%20Report.pdf), para. 310.

[19] This conclusion is echoed in reports of the Board of Auditors (A/65/5 (Vol. III), para. 78 and A/67/5 (Vol. III), para. 65), the 2014 evaluation report (p. 84), the ITC project portal road map (see note 20 below) and the Centre's costing methodology. Prioritization of costing only took hold at corporate level in 2013.

[20] ITC, "Road map towards a new project portal for ITC", 8 October 2014.

contributions to project budgets are not currently disclosed, including contributions to cover staff time devoted to the project. This gap is rooted in the Secretariat's Integrated Management Information System, which is not output-based. Moreover, these sources concur with a number of previous reviews suggesting that the Secretariat's migration to a new integrated resource management and administration platform, Umoja, is unlikely to enhance this functionality. If it is to capture costs and link these to results, ITC must do so in parallel to Umoja.[21]

45. ITC has progressed incrementally on this front. A 2010-2012 pilot costing project on efficiency savings by the Centre's Division of Programme Support determined that it was difficult to link costs to particular outputs. A subsequent pilot costing study, initiated by the Market Analysis and Research Section and the Information Technology and Systems Section, developed a methodology to remedy this gap.[22] The pilot's spreadsheet and data entry tool permitted project managers to allocate costs, including staff salaries, travel costs and consultancy rates, to outputs. In 2014, the scope of the costing project broadened to focus on capturing the full cost to ITC through the new integrated project portal. This costing exercise, which is still in the design phase, proposes to add a module (or extension) to the results-based management module in the new projects portal. It is foreseen that once the project manager creates the links for a project's outputs and reports on the activities, the costing module will be available for each reported activity.

D. Integration of cross-cutting issues into project designs remains weak

46. Among the Centre's three cross-cutting issues, gender and environment have a longer history within the organization than youth. Both have been cross-cutting issues since 2010, and in the same year ITC launched efforts to mainstream them into its projects and operations. By contrast, while youth receives explicit focus in the 2010-2013 strategic plan, only in 2014 was a consolidated programme developed on this issue.

47. The Centre's adoption of the environment as a cross-cutting issue is rooted in Millennium Development Goal 7 (environmental sustainability). Its initial objectives in this area were to adapt trade practices to environmental concerns and to help developing countries overcome constraints and weak national environmental policy. Responsibility for mainstreaming environment resides in the trade and environment programme.

48. A 2012 midterm evaluation of the trade, climate change and environment programme assessed the overall effectiveness of environment mainstreaming in ITC to be limited, a conclusion echoed in a 2013 audit and in the 2014 evaluation of ITC. OIOS corroborated this assessment in its re-analysis of 56 projects and in its analysis of 44 project plans reviewed by the Project Approval Committee in 2014.[23]

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[21] ITC, "Activity based costing at ITC: Cost architecture and methodology", 31 October 2014; ITC, "Road map towards a new project portal for ITC", 8 October 2014; ITC, "ITC's new project portal: progress update", presentation to the Senior Management Committee, 16 January 2015; and OIOS, "Accountability benchmark gap assessment for ITC", annex III (2014).

[22] ITC, "Activity-based costing at ITC: cost architecture and methodology", report to the Senior Management Committee, 31 October 2014.

[23] Virtually none of the 56 projects re-analysed explicitly takes environment into consideration, and exactly half of the projects reviewed by the Project Approval Committee do so.

In response, the Centre's 2014 environment mainstreaming strategy outlines a plan on how the organization intends to address these weaknesses, namely by:

(a) Mitigating impacts of production and trade on the environment;

(b) Strengthening resilience to climate change;

(c) Realizing opportunities to expand trade in environmental products and services markets.[24]

It is unclear, however, whether the Centre's goal is to minimize its own environmental impact through its interventions, support environmental innovation among small and medium-sized enterprises, or some other goal, as ITC uses terms such as "environment", "environmental sustainability" and "environmental impact" interchangeably in its documents.

49. The Centre's focus on youth and trade aims to contribute to the post-2015 development agenda and the Five-Year Action Agenda of the Secretary-General to strengthen inclusiveness and sustainability. The youth and trade programme was launched in mid-2014 with a pilot project in Morocco on youth entrepreneurship and trade incubators. Overall, the youth and trade programme examines how the Centre's existing tools can be adapted to serve the needs of youth and considers new tools that are needed to strengthen youth employment globally. The programme intends to mainstream the issue of youth as a cross-cutting issue across the Centre's project portfolio. Similar to the case of environment (see para. 48 above, OIOS notes that 21 of a total of 44 documents reviewed by the Project Approval Committee in 2014 contained consideration of youth at the project design stage.

50. The Centre's best-developed mainstreaming architecture surrounds gender. The 2006 evaluation of ITC highlighted the need to strengthen this area. The Centre's conceptual framework for mainstreaming gender policy and planning now requires cascading of gender to project development. In 2010, ITC undertook a gender assessment to gauge its progress, noting that only 24.0 per cent of its projects reflected a gender dimension. It launched its gender mainstreaming policy in 2011, followed by a gender action plan for the period 2011-2015. ITC performed well in terms of the 2013 System-wide Action Plan on Gender Equality and the Empowerment of Women, especially compared to its 2012 score and to other United Nations actors. ITC appointed three main "business owners" to create a web of shared responsibility for different performance indicators. ITC has also developed the enhanced integrated framework programme, a gender mainstreaming module used by least developed countries in their diagnostic trade integration study. ITC has gender-targeted technical assistance programmes such as ACCESS! and the Women and Trade Programme, and is committed to mainstreaming gender across all programmes and collecting gender-disaggregated data on its projects. In 2014, the Centre mandated basic gender training for all staff and established a policy framework to support gender equality on the basis of a review of human resource policies and processes. In 2015, it appointed a gender focal point at the P-4 level.

51. Despite these commendable advances, substantive integration of gender into the Centre's projects remains weak. While gender-disaggregated data on development outputs and outcomes are collected, monitoring and reporting on gender equity has been unsystematic. The 2014 evaluation of ITC concluded that

[24] ITC, "Greening trade: an ITC strategy for mainstreaming environmental sustainability", 2014.

gender dimensions were inconsistently integrated into project designs, with explicit attention to gender largely limited to those projects specifically targeting women. So, too, did the OIOS re-analysis of 56 projects: beyond the handful of programmes with an explicit primary focus on gender, few projects integrated a gender perspective.[25] Moreover, the OIOS analysis of 44 projects reviewed by the Project Approval Committee showed that only 10 projects demonstrated an explicit focus on gender equity, while gender dimensions were only implicit in 15 and gender was not taken into consideration at all in 19.

52. Progress has continued on all three cross-cutting issues. In 2014, ITC introduced guidelines for assigning development marker ratings to improve the clarity and consideration of all three issues and to foster more coherence and consistency in the project design and project review process. The guidelines provide criteria and ratings enabling programme managers to more systematically consider the impacts, risks, opportunities, challenges and diversity a project may have on each development marker. The results of these initiatives remain to be seen, however.

IV. Conclusion

53. The overall success of ITC in delivering its project interventions is well established at the output level. However, robust evidence for the effects of these interventions on the Centre's targeted beneficiaries is largely non-existent, and OIOS was only able to gather anecdotal evidence of such effects. This information gap persists in project design documents, which are increasingly clear in articulating these intended results. More fundamentally, the Centre's demand-driven approach to defining its programme of interventions has hindered it from achieving broader relevance and, by extension, broader effectiveness where it matters most. Though exhibiting a strong client orientation, this demand-driven approach does not guarantee that ITC prioritizes those countries and industries where its assistance is most needed or where it stands to have the greatest impact at a scale commensurate with its corporate objectives or its United Nations mandate.

54. ITC has publically signalled strong resolve to tackle these and other key challenges, and has reportedly embarked on a number of initiatives to address them. ITC should continue, and in some cases accelerate, implementation of these initiatives, and launch other initiatives pledged but not yet started, to maximize its effectiveness, relevance and efficiency moving forward.

V. Recommendations

55. OIOS makes five recommendations, all of which are important according to its criticality rating system. Three of these recommendations underscore and build on the four "strategic recommendations" emanating from the 2014 evaluation of ITC.[26] These are recommendations 1 (consistent with strategic recommendation 3),

[25] Of the 56 projects, 28 consider gender.

[26] The strategic recommendations of the 2014 evaluation are found on pages 115 to 117 of the evaluation report, which is publically available at www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/How_ITC_Works/Evaluation/1.%20Evaluation%20Report.pdf.

2 (consistent with strategic recommendation 1, and in part with strategic recommendation 4) and 3 (consistent with, though broader than, strategic recommendations 2 and 4, and consistent with, though narrower than, strategic recommendation 3). Recommendations 4 and 5, by contrast, represent new elements not explicitly covered by the 2014 evaluation.

Recommendation 1 [see paras. 3, 7-9, 14-17, 25-30, 42, 48, 54]

56. The Office of the Executive Director of ITC should directly and regularly monitor operational units' implementation of the action plans formulated in response to the 2014 evaluation of ITC and the present evaluation, and report regularly on the implementation status of both action plans to its parent organizations and donors through the Joint Advisory Group.

Indicator of achievement: Implementation of action plans regularly monitored, and implementation status regularly reported to the Joint Advisory Group, directly by the Office of the Executive Director

Recommendation 2 [see paras. 5, 12, 14-17, 25, 29, 31-45]

57. To enhance efforts to strengthen its results orientation, ITC should incrementally adopt a more holistic, data-driven approach to planning and budgeting while still seeking alignment with donor and client priorities. Anchored in the 2016-2017 strategic framework and 2015-2017 strategic plan, this approach should include:

(a) A needs assessment methodology to ensure that ITC prioritizes its corporate work, programmes and projects across regions, countries and industries where its expertise is most needed and where it can make the most difference in relation to other actors;

(b) A medium-term strategy for gradually moving the organization toward this more holistic, needs-based and data-driven approach, to complement the demand-driven model.

Indicator of achievement: Documents drafted and their meaningful implementation monitored

Recommendation 3 [see paras. 16-17, 26, 31-41]

58. To ensure the cascading of overall corporate priorities to the operational level, the programme and project approval protocol should be revised to ensure that all projects adequately address the following areas before being approved:

(a) A clear indication of how the intervention's objectives align with identified corporate priorities;

(b) Evidence that a needs assessment has been undertaken, alongside beneficiary and donor consultations, in prioritizing the country and industry at hand with the specific intervention;

(c) Evidence that key risks have been identified and assessed, and a corresponding risk management plan enacted;

(d) A monitoring and evaluation plan for the intervention, commensurate with the intervention's size and overall risk profile, including indicators speaking to results achieved for assisted beneficiaries.

Indicator of achievement: Revised programme and project approval protocol reflecting a clear cascading of overall corporate priorities, resulting in strong alignment between projects and corporate priorities in an increasing number of projects

Recommendation 4 [see paras. 13, 18-24, 26-30, 42-45, 53 and 54]

59. ITC should improve its capacity to generate credible evidence on the results its interventions have achieved for its beneficiaries and clients, and on these interventions' cost-effectiveness. Such improvements entail, at minimum:

(a) Development of a risk-based evaluation plan, identifying higher-risk interventions requiring individualized evaluation attention and lower-risk interventions for which a bundled evaluation approach is adequate;

(b) A monitoring and evaluation capacity development plan for equipping programme staff with monitoring and evaluation skills;

(c) Continued roll-out of the integrated project portal, including finalization and use of the costing methodology;

(d) Completion of the impact assessment methodology, ensuring that these methods include non-perceptual, verifiable documentary evidence of impacts to complement the perceptual evidence garnered through the client relationship management database;

(e) Development of clear guidelines on what constitutes a client in the client relationship management database;

(f) Revision of the Centre's 2008 evaluation policy and of the reporting lines of the Evaluation and Monitoring Unit to ensure that the present recommendation (and aspects of recommendation 5) are adequately implemented at the direct behest of the Executive Director of ITC.

Indicator of achievement: The actions described in the recommendation are undertaken, and their meaningful follow-through monitored, resulting in credible evidence on the results interventions have achieved for the Centre's beneficiaries and clients, and at what cost

Recommendation 5 [see paras. 46-52]

60. ITC should accelerate the integration of cross-cutting issues into its projects. This includes:

(a) Strengthened capacity-development support for promoting integration of cross-cutting issues into project design;

(b) Incorporating into the project approval process an appraisal of proposals' attention to all three cross-cutting areas, in accordance with the Centre's 2014 guidance on Project Approval Committee development markers on the cross-cutting issues;

(c) Sharpening conceptual clarity on the Centre's approach to the environment, clearly articulating whether the 2014 environment mainstreaming strategy implies heightened attention to minimizing the Centre's environmental footprint, explicitly supporting small and medium-sized enterprises and/or innovations that address environmental challenges, or something else.

Indicator of achievement: The actions described in the recommendation are undertaken, and their meaningful follow-through monitored, resulting in a clearer integration of cross-cutting issues in an increasing number of projects.

(*Signed*) Carman L. **Lapointe**
Under-Secretary-General for Internal Oversight Services

19 March 2015

Annex[a]

Management response to the evaluation of the International Trade Centre by the Office of Internal Oversight Services, 18 March 2015

1. The management of the of the International Trade Centre (ITC) is pleased to submit its response to the report of the Office of Internal Oversight Services (OIOS) on its evaluation of ITC. ITC management welcomes the report and thanks the Inspection and Evaluation Division of OIOS for its assessment of the organization. Oversight services are invariably very welcome at ITC, as a key vehicle for accountability, learning and transparency, even where, as in this case, an OIOS evaluation comes in the footsteps of another comprehensive evaluation.

2. In July 2012, ITC donors decided to carry out a full evaluation of ITC, independent both of ITC management and of OIOS. The terms of reference of this evaluation were agreed to in February 2013. The evaluation that followed was exhaustive, wide-ranging and comprehensive. It was carried out in 2013-2014. The independent evaluator, a company chosen through a competitive selection process, was managed through an arms-length committee of member country representatives, including donors and beneficiaries. The independent evaluator delivered its report in June 2014. The report was well received by all ITC stakeholders and was, by all accounts including our own, a reasonable, robust and useful analysis of the progress made in the period 2006-2013. ITC has since crafted a full management response, which was endorsed by its governing body, the Joint Advisory Group, in January 2015.

3. The OIOS evaluators began their work in mid-2014. ITC has cooperated fully with them and was supportive of their attempt to ensure that their approach added value to the prior evaluation. In essence this was to validate, or otherwise, the findings of the independent evaluation. This was a pragmatic response to a situation created by factors over which they apparently had little control. The team has been very responsive and ITC management has had adequate opportunities to comments on drafts of the report.

4. Overall, ITC management welcomes the final report. It has considered the conclusions and recommendations contained in the report and is able to accept all five of the recommendations. But it does not do so without a number of caveats, especially regarding recommendation 2, which states that, "to enhance efforts to strengthen its results orientation, ITC should incrementally adopt a more holistic, data-driven approach to planning and budgeting while still seeking alignment with donor and client priorities". These caveats are detailed in the ITC action plan.

5. Recommendation 2 presents the greatest challenge to ITC because it can be seen as ignoring the practical constraints on a small agency like ITC. Whereas larger agencies with a far wider reach can, and should, invest in thorough, in-depth and universal needs analyses, for a small agency like ITC this is very challenging in practical terms, a view shared by the independent evaluators. Of course ITC can and

[a] In the present annex, OIOS presents the full text of comments from the International Trade Centre. This practice has been instituted pursuant to General Assembly resolution 64/263, following the recommendation of the Independent Audit Advisory Committee.

will take this recommendation on board as a direction in which to move, but it will do so carefully, to make sure that it is complementary to the valuable role the Centre plays as a trusted broker between demand for its services and the funding that is available for them.

6. The OIOS report is a useful tool for emphasizing areas for improvement in the future. ITC also views it as a validation of the independent evaluation that preceded it, judging it generally satisfactory in quality and credibility in the areas it covered, having harnessed the best evidence available at the time, and having been sufficiently independent. More importantly, it is also a validation of the direction of travel of the organization as a whole. ITC is an organization that has made significant, concrete progress in recent years. As a result, ITC is growing and expanding its assistance to small and medium-sized enterprises in the developing world to help them internationalize.